



*Partners for Better Communities*

[www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)

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Tools to identify,  
develop, finance, and  
implement projects  
and strategies in your  
Downtown.



“Incentives are only  
available to large  
businesses in industrial  
and office parks.”



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and office parks.”





# Agenda

- **State Offerings**
  - **Planning Grants**
  - **Construction Funding**
  - **Business Incentives**
- **Local Tools**
  - **Enabling Local Incentives**
  - **Types of Incentives**

# **State Offerings**

# DHCD Offerings

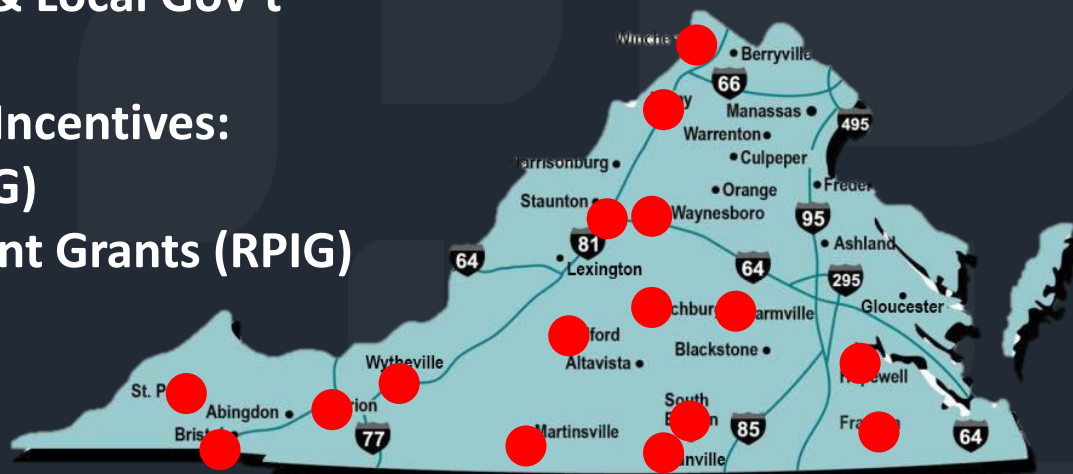
- Appalachian Regional Commission (ARC)
- Building Entrepreneurial Economies (BEE)
- Community Business Launch (CBL)
- Community Development Block Grant (CDBG)
- Enterprise Zone (EZ)
- Industrialized Revitalization Fund (IRF)



# EZ

## Enterprise Zone

- Partnership between State & Local Gov't
- Enables Local Incentives
- 2 Performance Based State Incentives:
  - Job Creation Grants (JCG)
  - Real Property Investment Grants (RPIG)



# EZ

## Job Creation Grants

- Performance Based
- Grants of up to \$500 or \$800 per job
- 4-Job Creation Threshold
- Permanent, Full-Time Jobs
- High-Wage (175% FMW)
- *Excludes retail, restaurant, personal services, and non-profits*



EZ



The Mimslyn Inn: Luray

# EZ

## Real Property Investment Grant

- Performance Based
- Grants of up to \$200,000 within 5 years
- \$100,000-500,000 Investment Thresholds
  - Hard-Construction
  - Items taxed as Real Property
  - No M&T, FF&E, Soft Costs
- No pre-qualification required



EZ



Simple Splendor Salon: South Boston



EZ



Historic Masonic Theatre: Clifton Forge

EZ



Studio Brew: Bristol

# IRF

## Industrial Revitalization Fund

- Grants or Loans Up to \$600,000
- Adaptive Re-use of Blighted Buildings
- Shovel-Ready Projects
- Significant & Catalytic Impact on Community
- 1:1 Matching Funds Required
- Local Governments Apply
  - Public or Private Development



# IRF



George Wythe Hotel: Bolling-Wilson Hotel  
Wytheville

# IRF



Henry Hotel  
Martinsville

# IRF



Wort Hog Brewing Company  
Warrenton



# IRF



Academy of Music Theatre  
Lynchburg

# State Offerings

- Agriculture & Forestry Industries Development Grants (VDACS)
- Brownfields Restoration and Economic Development Assistance Fund Fund (DEQ)
- Tourism Development Financing (VTC)





# AFID



KO Distilling  
Manassas

# BAF



Downtown Site Assessments  
Pulaski

# BAF



Downtown Site Assessments  
Saltville

# TDF



Hotel Weyanoke  
Farmville

# **Local Offerings**

# Local Incentives: Why the misperception?

“Incentives are only  
available to large  
businesses in industrial  
and office parks.”

# Local Incentives: Why the misperception?

- Most state incentives are based on the expectation of substantial capital investment and job creation.
- Localities should complement State programs with obtainable incentives for smaller, targeted businesses.



# Local Incentives: The Background...

- Virginia is a Dillon Rule state, so localities only have authority that is expressly granted by the General Assembly.
- Local incentives require Enabling Legislation.





# Local Incentives:

## The Zones...

- Enterprise Zones (56)
- Technology Zones (39)
- Arts & Culture Districts (22)
- Tourism Zones (20)
- Defense Production Zones (2)



# Local Incentives:

## The Rules...

- All tax incentives must abide by the Uniformity Clause. Taxation must be uniform in territory, subject, and class.
- Real Estate, Machinery & Tools, and Property Tax incentives must be structured as Cash Grants.
  - No Rebates!
  - Transient Occupancy, Meals, and Utility taxes are not subject to Uniformity Clause.



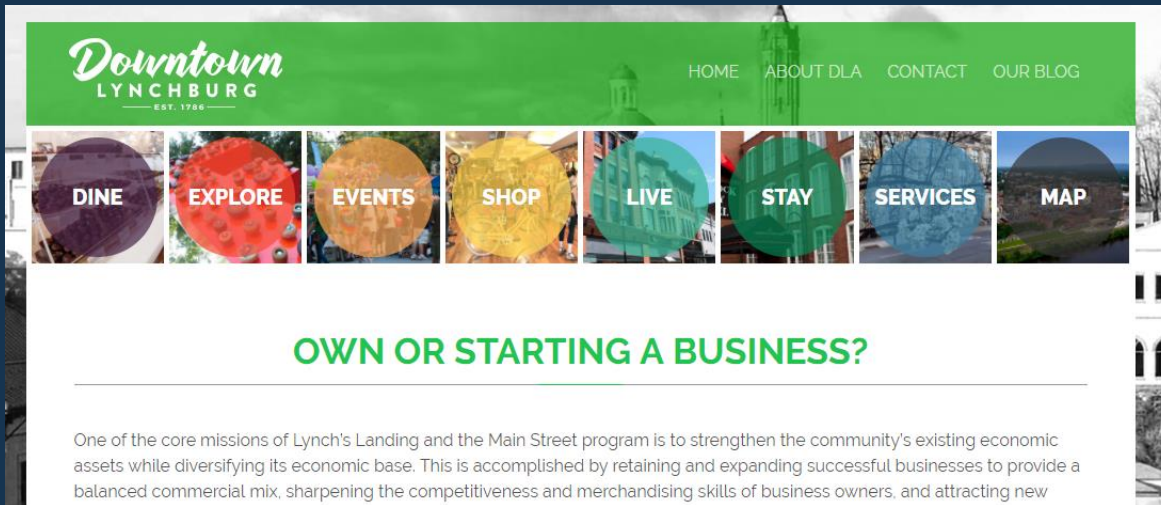
# Local Incentives:

## The Types...

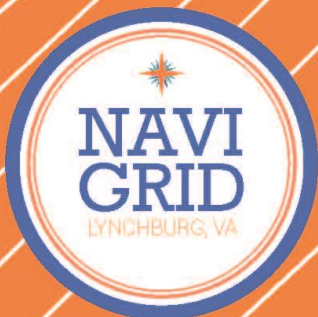
- **User Fee Reductions/Waivers**
  - Water, Gas, Trash, etc
- **Permit Fee Reductions/Waivers**
  - Building, Business License, etc
- **Cash Grants**
  - Investment, Jobs, Façades, Memberships
- **Low-Interest Loan**
  - Revolving Loan Pools for Startup, Expansion
- **Workforce Development**
  - Training, Recruitment, Temp Agency Assistance













































# Local Incentives: The Marketing...



# Local Incentives: The Marketing...



**So, you own a business in Lynchburg.**  
Here are some great local resources to help your business grow!

		Legal Assistance	Business Plan Development	Sales & Marketing	Grants for Renovation	Financing	Networking	Link to State & Fed Resources	Legislative Advocacy	Real Estate Assistance	Workforce Development	Financial Counseling	Production Space	Office Space	Small Business Loans
Lynch's Landing	<a href="http://www.downtownlynchburg.com">www.downtownlynchburg.com</a> 434.485.7250														
Lynchburg Business Development Center	<a href="http://www.lbdc.com">www.lbdc.com</a> 434.582.6100														
Lynchburg Economic Development Authority	<a href="http://www.opportunitylynchburg.com">www.opportunitylynchburg.com</a> 434.455.4490														
Lynchburg Office of Economic Development	<a href="http://www.opportunitylynchburg.com">www.opportunitylynchburg.com</a> 434.455.4490														
Lynchburg Regional Business Alliance	<a href="http://www.lynchburgregion.org">www.lynchburgregion.org</a> 434.845.5966														
CO.STARTERS	<a href="http://www.opportunitylynchburg.com">www.opportunitylynchburg.com</a> 434.455.4490														
Retail Merchants Association	<a href="http://www.lynchburgrma.com">www.lynchburgrma.com</a> 434.528.1732														
SCORE - The Greater Lynchburg Chapter	<a href="http://www.lynchburgscore.org">www.lynchburgscore.org</a> 434.582.4560														
Small Business Development Center	<a href="http://www.region2000sbd.c.com">www.region2000sbd.c.com</a> 434.832.7824														



# DANVILLE, VIRGINIA

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## Steps to revitalization learned during Greenville trip

Denise Thibodeau Nov 27, 2010 (Q)



Denville City Council members walked across the Liberty Bridge in downtown Greenville, S.C.

Denville City Council's trip to Greenville, S.C., showed the similarities between the communities, as well as their differences — and offered the opportunity to learn what worked to create Greenville's vibrant and award-winning downtown.



Like Danville, Greenville was a mill town and suffered when the mills made their exodus overseas. But the Greenville area had more businesses to build on, and quickly set about attracting more to the area.

Cities in South Carolina are not independent — they are part of the adjoining county. State and federal funding is generally assigned to the county, and the cities, towns and communities within the county vie for funding.

As economic development recruiting began, Greenville learned that one thing all businesses look for is an attractive, vibrant downtown. While the city and county do some joint projects, basically it became the city's job to make the city look beautiful while the county handled business recruitment.

### Building a new downtown

Greenville's longtime mayor, Knox White, told Danville City Council first the city came up with a plan for what they wanted to accomplish — and then stuck to that plan for the 20 years it took to get it where it is today.

Danville is just beginning to look into developing a specific plan for downtown, and has asked for bids to develop a master plan for downtown, including overall future land uses, design concepts, recommendations about infrastructure improvements to roads and sidewalks — and to arrange public meetings as the project develops.

Karl Stauber, president and CEO of the Danville Regional Foundation, suggested the River District Development Plan project at a City Council work session in September. Stauber estimated the project would cost about \$100,000; the foundation will pay \$75,000.

Greenville funded the revitalization project with hospitality taxes — the taxes charged for meals and lodging — and by developing partnerships with local businesses, foundations and individuals.

There are places in the city where these partnerships are evident — Wachovia Place, the Bi-Lo Center and Michelin Square were so named because of corporate investment in the projects — as well as others that are not so evident. Five neighborhoods are currently getting serious

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### Latest News

Debt deadline now October, CBO says as deficit spikes  
11 min ago

Winning numbers drawn in Pick 4 Day game  
18 min ago

Winning numbers drawn in Pick 3 Day game  
18 min ago

Winning numbers drawn in Cash 5 Day game  
18 min ago

Via Lottery:  
18 min ago

See More Latest News

### Popular on this site

### Readers' Choice



Readers' Choice

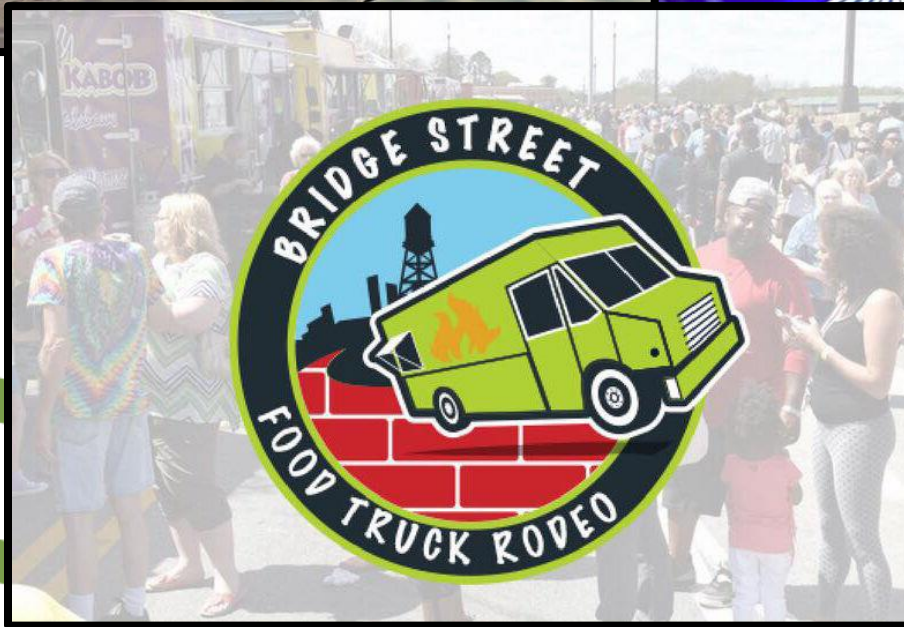
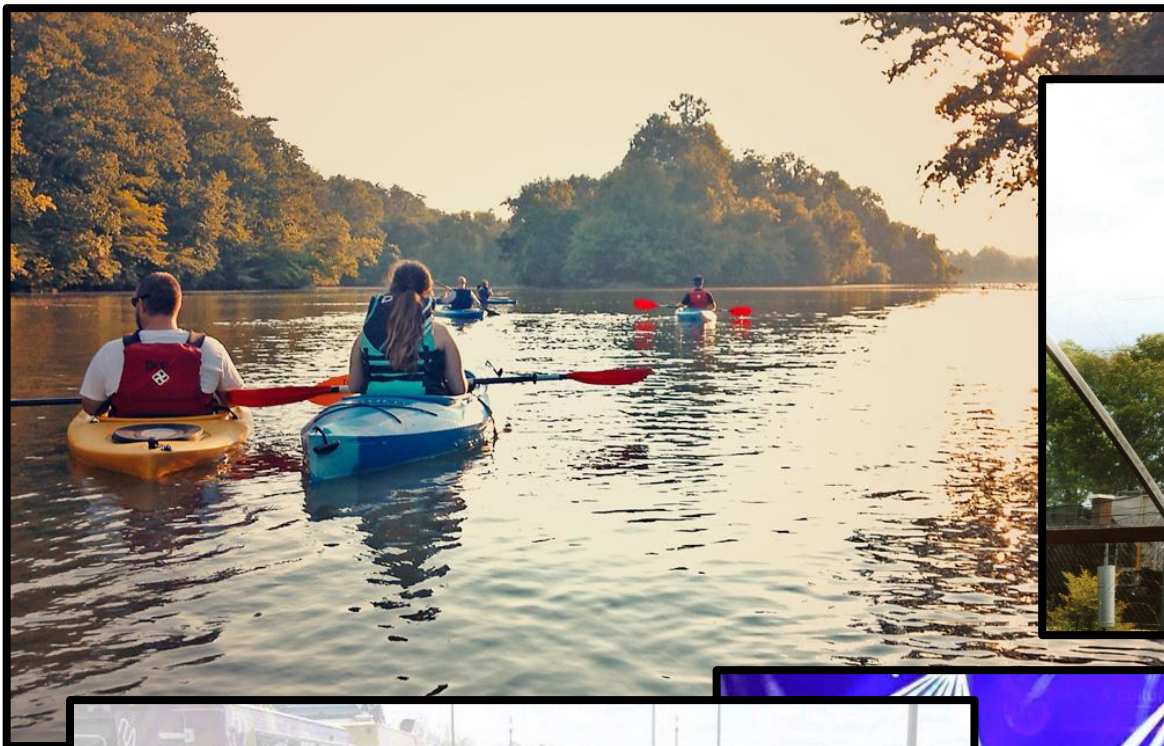
### Contests











# River District Development Plan Goals

**Eliminate  
Blight**

**Bring Critical  
Mass**

**Recruit High  
Tech  
Companies &  
Entrepreneurs**

**Increase  
Number of  
People Living  
in District**

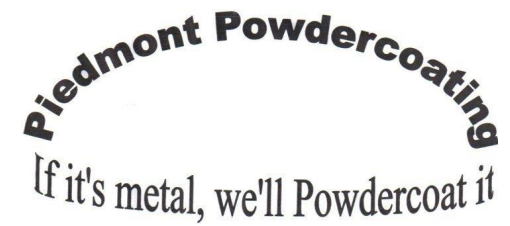
**Add Lifestyle  
and QOL  
Amenities**





# RBEG Loan Program (USDA)

- Max: \$25,000
- Interest Rate: 4%
- 10 Year  
Maximum  
Amortization  
Period



# RBEG Loan Program (USDA)

## Diesel Air Compressor

- Rent: \$106/day
- Usage: Minimum 4x per month
- Avg. Monthly Cost: \$424

## Loan:

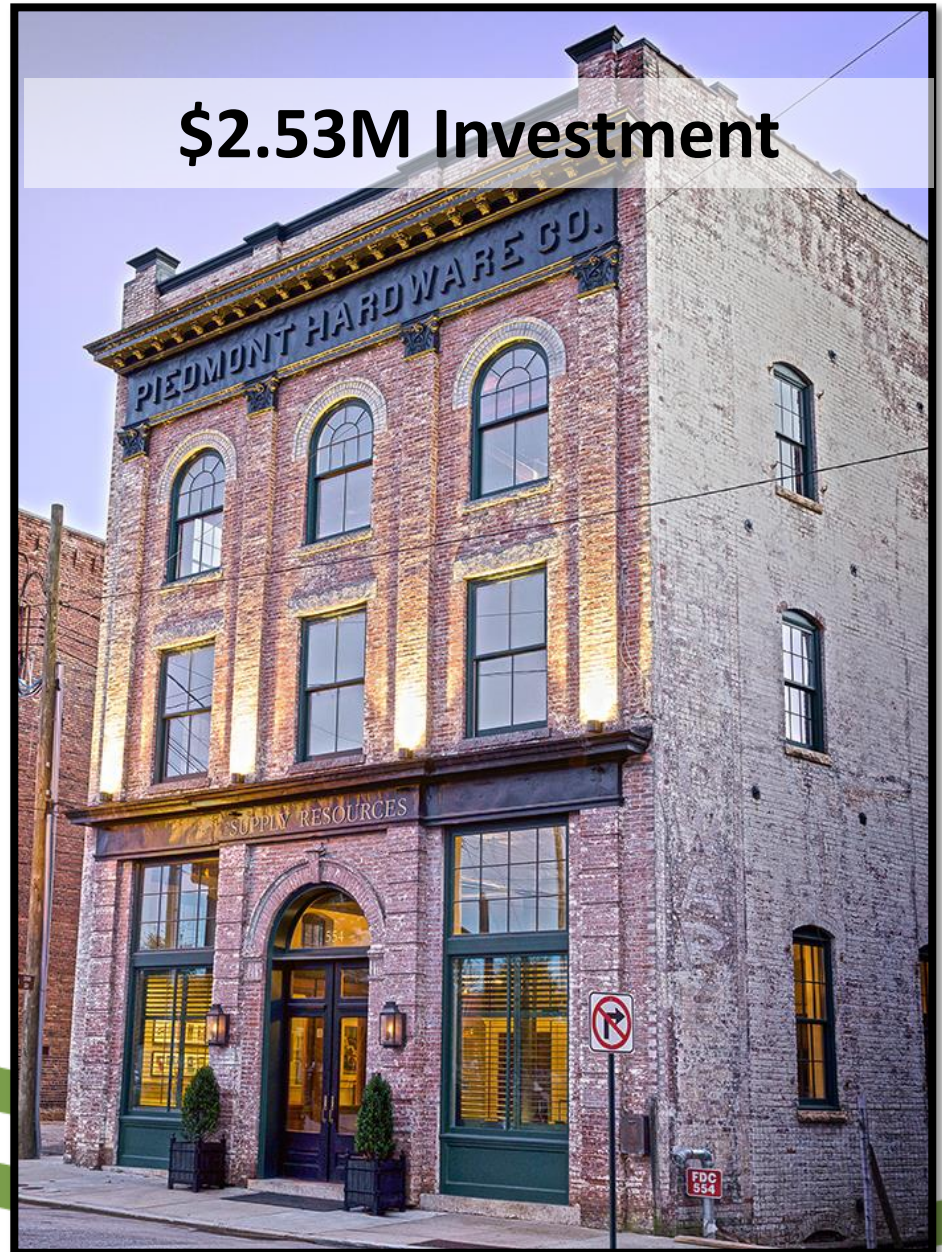
- Amount: \$9,000
- Term: 5 Years @ 4%
- Monthly Payment: \$166



**Piedmont Powdercoating**  
If it's metal, we'll Powdercoat it

# River District Development Grant

- Up to 5% of Qualified Development Costs
- Developer Must Retain Ownership of Property for 5 Years





# River District Development Grant

**BEFORE**





# River District Development Grant

**AFTER**



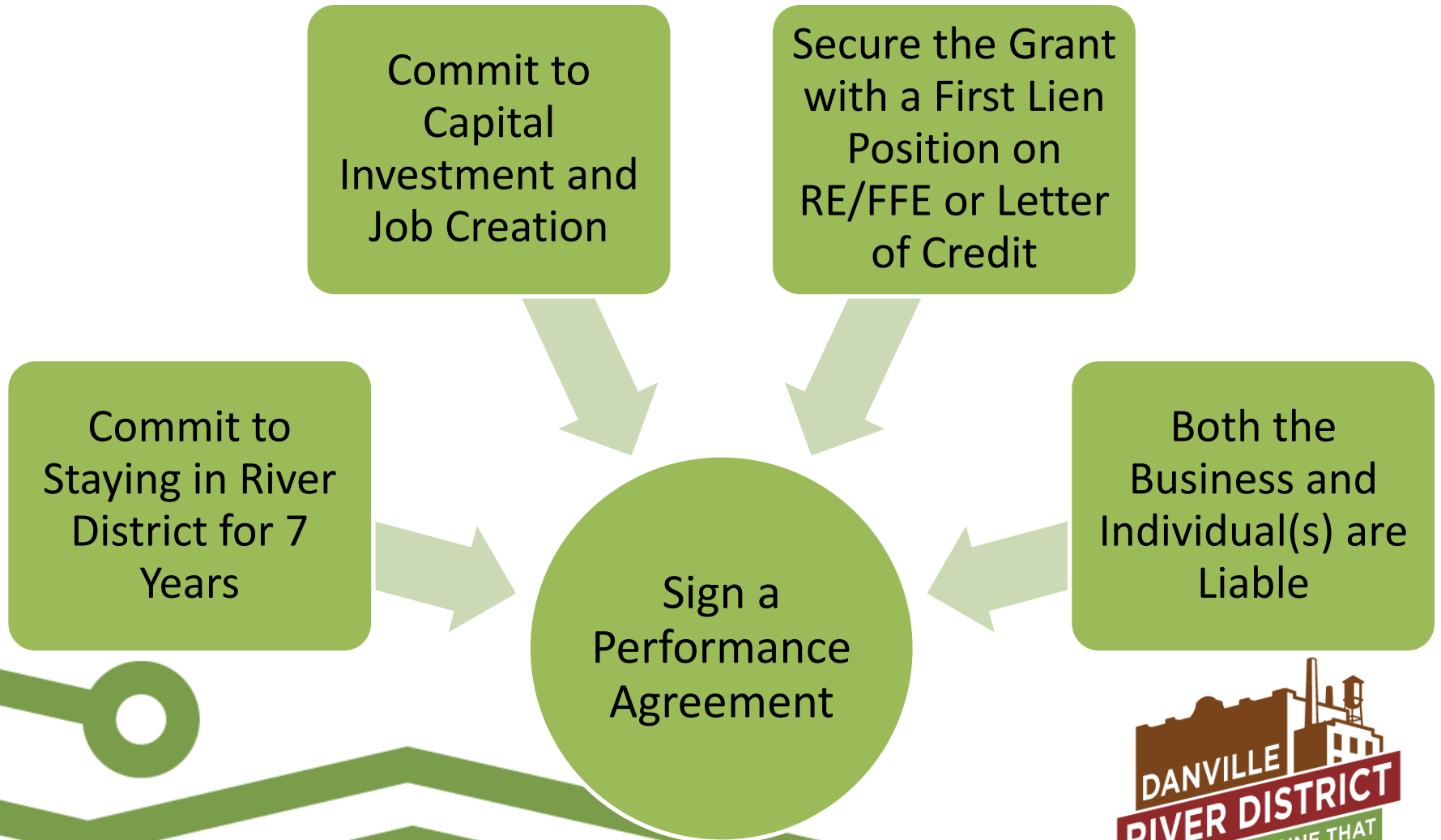
# River District Enhancement Grant

- Funding Priorities
  - Job Generators
    - Back office, HQ, R&D, IT
  - Upscale Restaurants and Unique Eateries
  - Non-Competing Niche Retailers



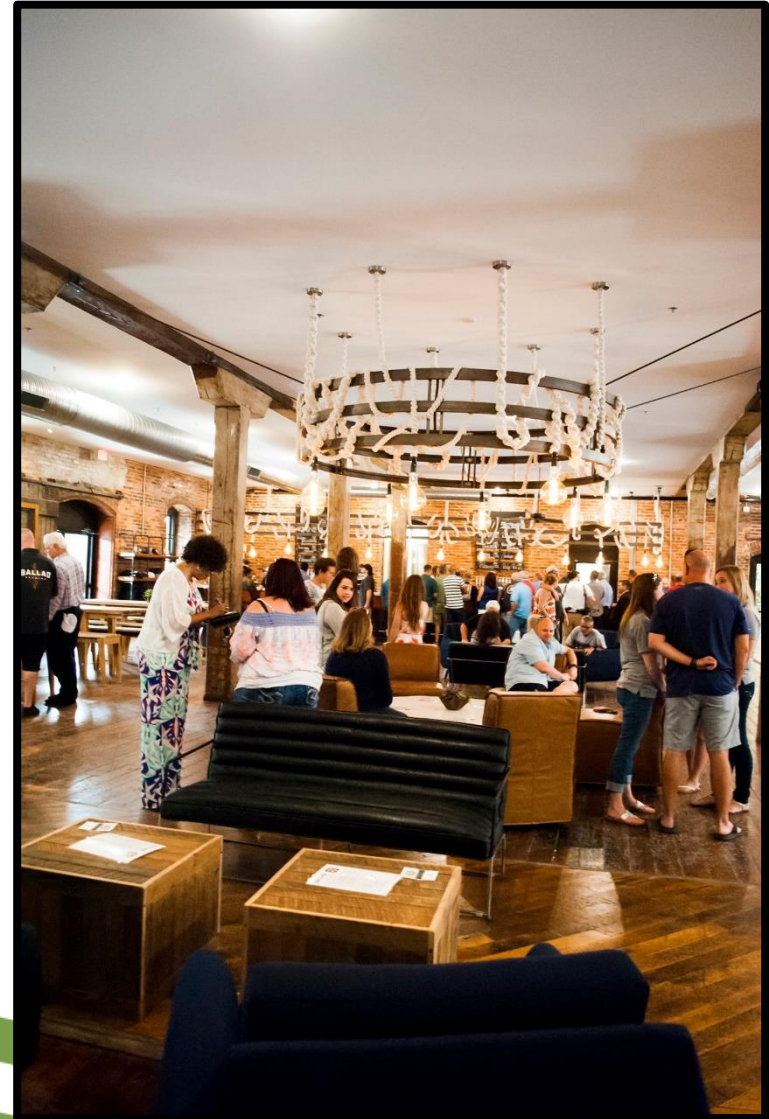


# River District Enhancement Grant



# River District Enhancement Grant

- 23 Barrel System
- \$1.7M Investment
- Virginia Tourism Growth Fund: \$90,805
- RDEG: \$103,144



# River District Enhancement Grant

- Split Cost of Business Consulting (The Launch Place)
- RDEG: \$35,000
  - 1<sup>st</sup> Payment - \$20,000 Once Executed Agreement
  - 2<sup>nd</sup> Payment - \$15,000 on 1<sup>st</sup> Anniversary





# Master Lease on Commercial Space

- 5 Years Master Lease on 7,500 sq ft of Commercial Space
- Annual Payment: \$75,000
  - Unless Space is Filled



# Master Lease on Commercial Space

- Currently 5,300 sq ft is Occupied
  - Hot Asana Yoga Studio
  - Wilkins & Co. Real Estate
  - Only \$22,000 Paid to Developer



# IDA Loan Program

- Bridge Financing
  - Short Term Financing Until Construction Loan is Approved
- Forgivable Loan



smith seeds  
lofts





# Parking Solutions

## River District Towers

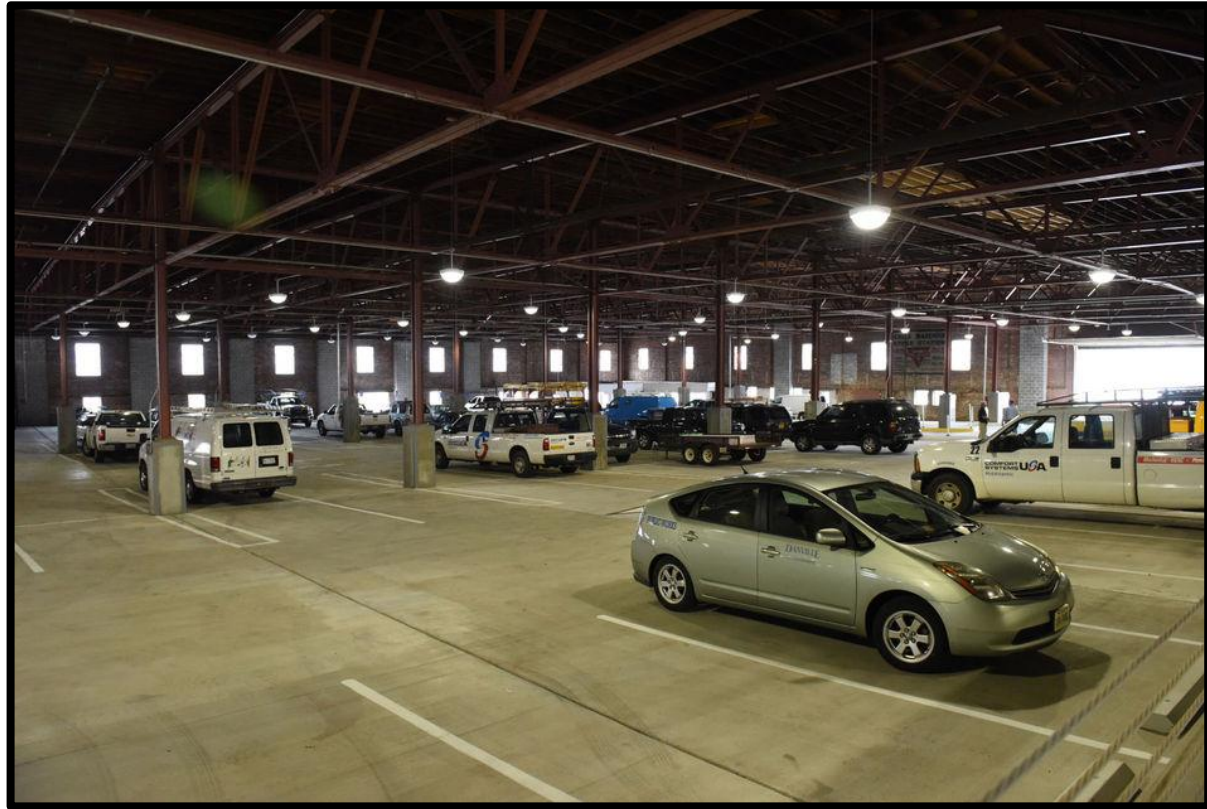
- \$25M+ Project
  - Spectrum Medical
  - Danville Regional Medical Center
  - Cotton at Riverside Mill (Restaurant)
  - Available Commercial Space



# Parking Solutions

## River District Towers

- IDA Acquired Adjacent Property
- \$2M+ Investment
  - \$600,000 IRF Grant
- 150 Parking Spaces





# 500 Block of Craghead Street



# 500 Block of Craghead Street



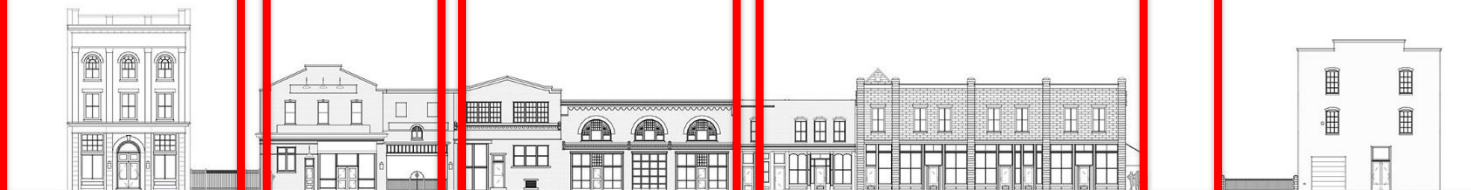


# 500 Block of Craghead Street

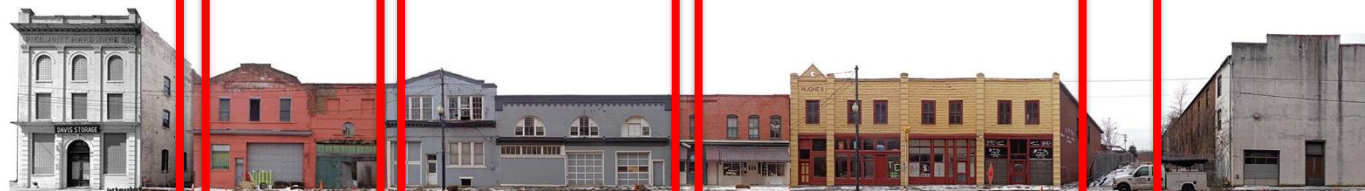




1  
A2.1  
CRAGHEAD STREET PERSPECTIVE



2  
A2.1  
NORTH ELEVATION  
1/8" = 1'-0"



PROGRESS

PROGRESS  
PRINT.  
NOT FOR  
CONSTRUCTION

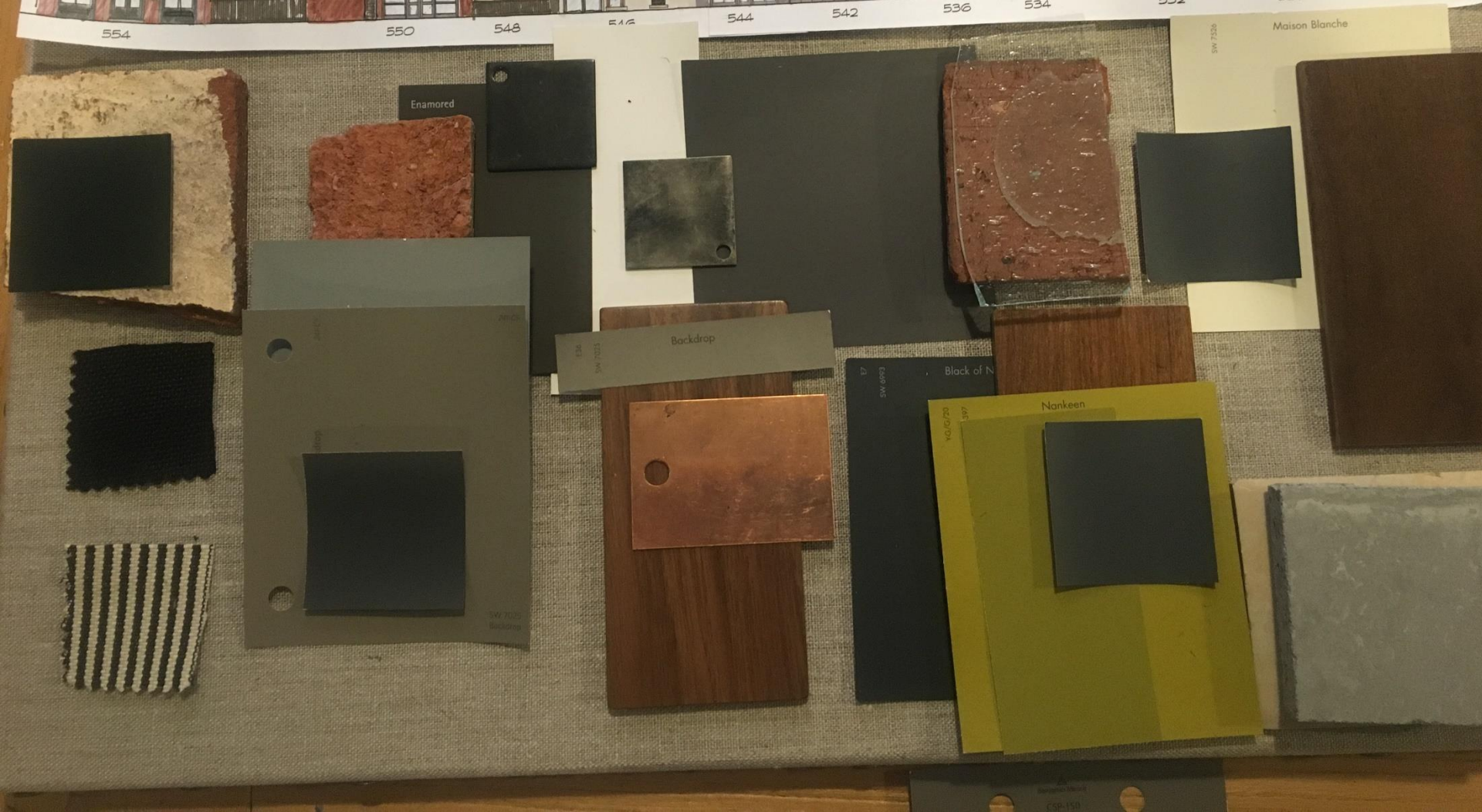
THIS DRAWING IS A PRELIMINARY STUDY AND IS NOT TO BE USED FOR CONSTRUCTION. IT IS THE PROPERTY OF ARCHITECTURAL PARTNERS, P.C. AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, WITHOUT THE WRITTEN PERMISSION OF ARCHITECTURAL PARTNERS, P.C.

DATE: 2016-03-25  
DESIGNED: MWS  
DRAWING: CMH/MJM  
CHECKED: MWS  
REVISIONS:

ELEVATION  
STUDY

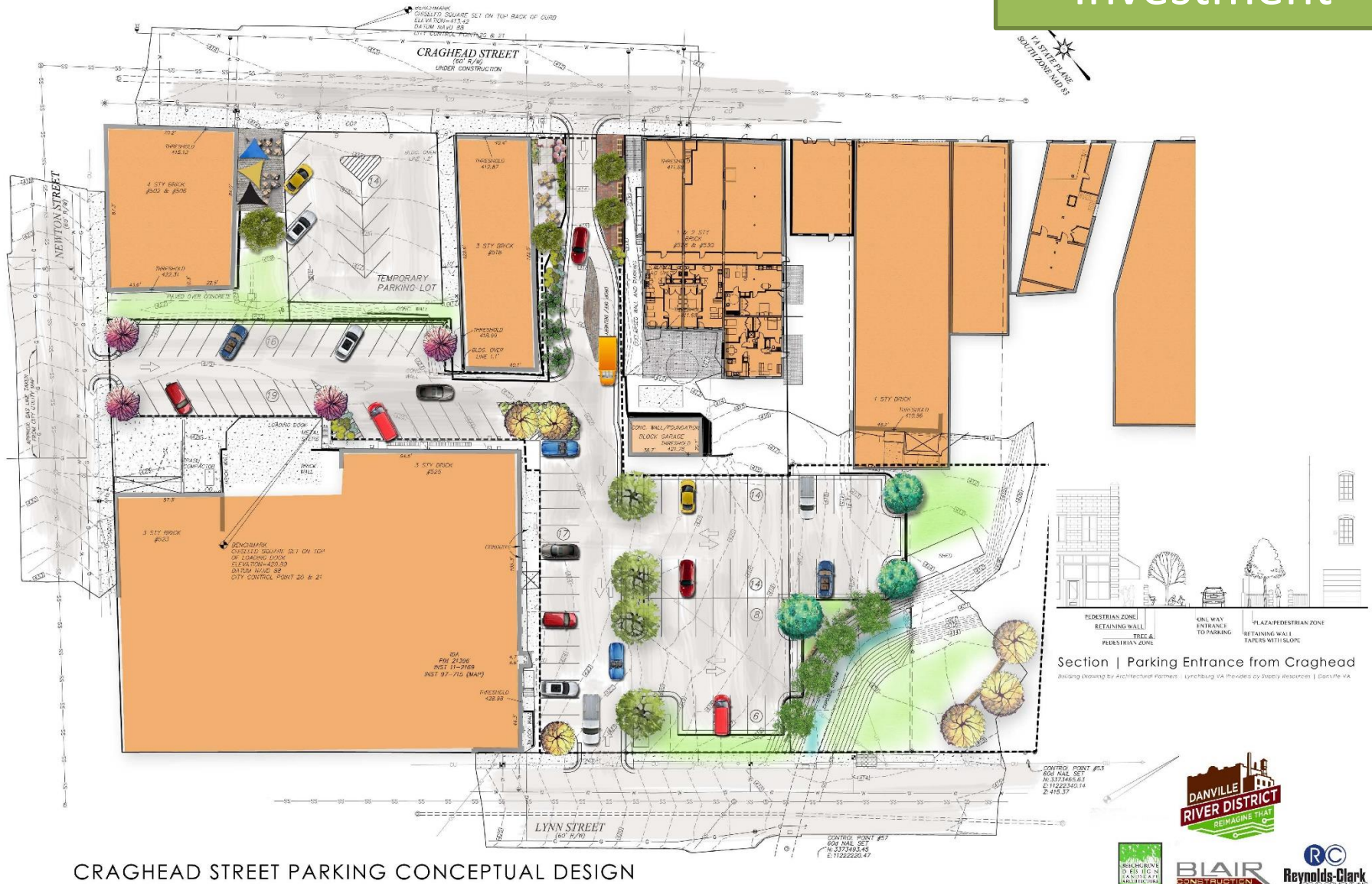
A2.1







\$1.2M  
Investment



CRAGHEAD STREET PARKING CONCEPTUAL DESIGN

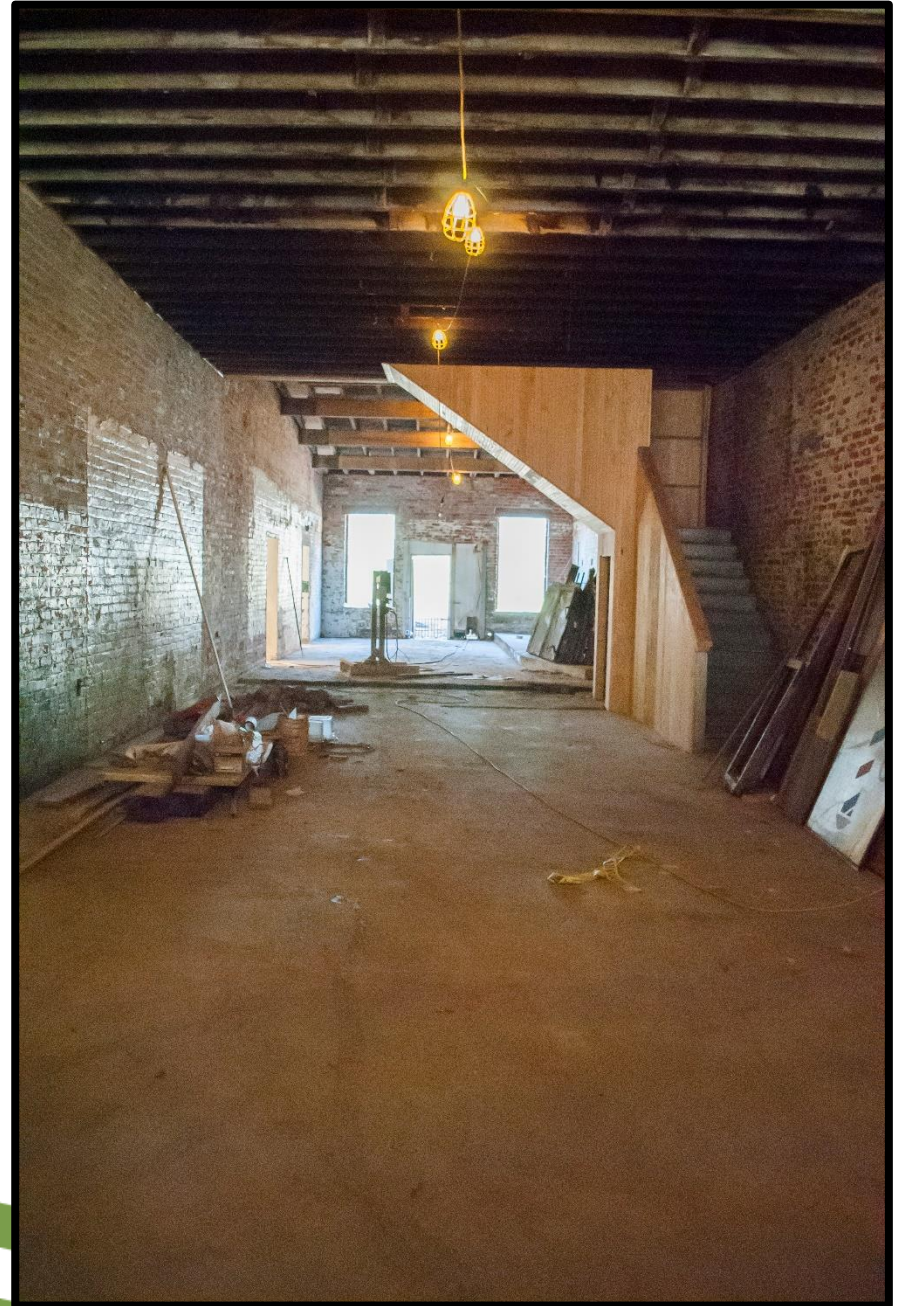




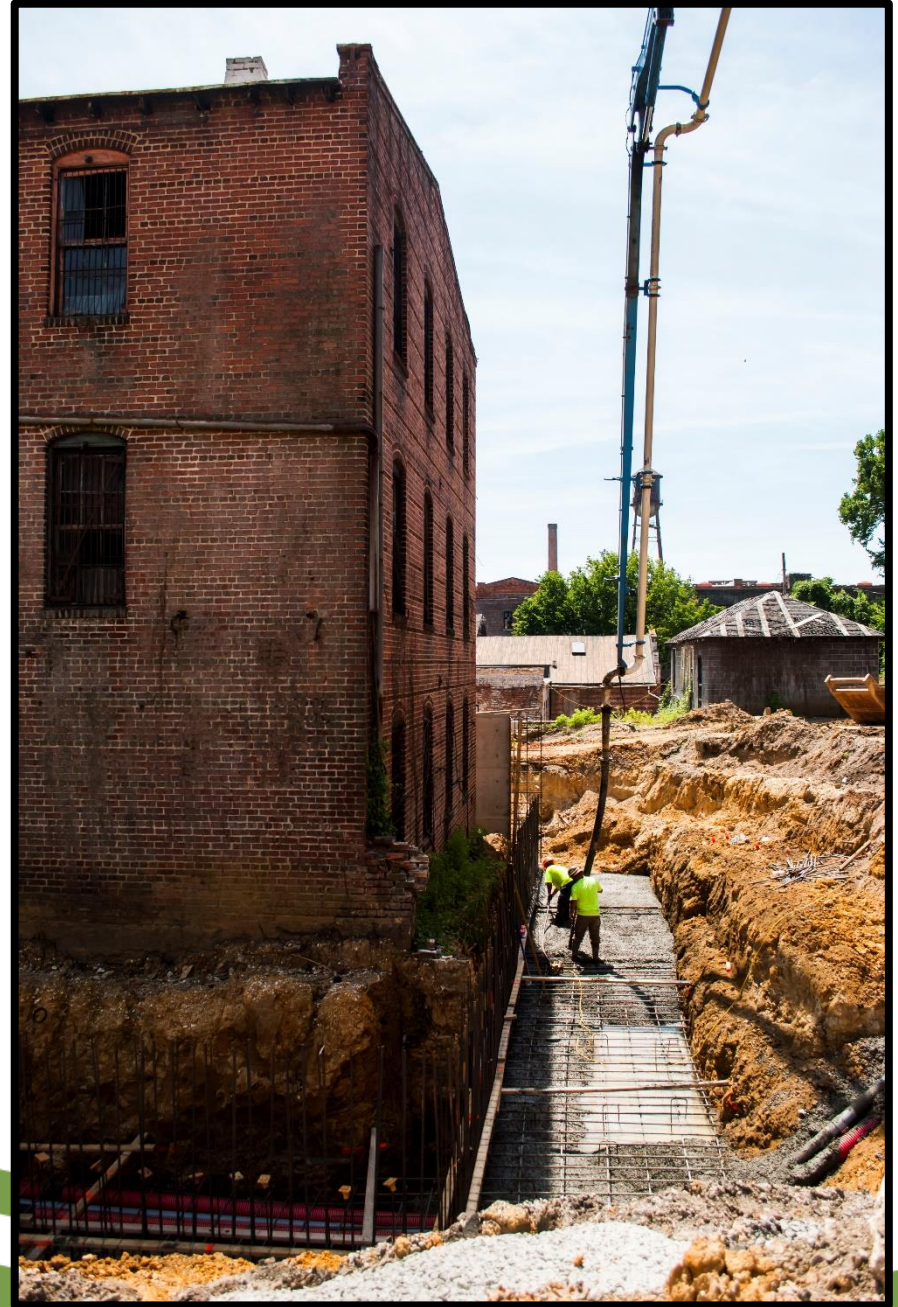
\$1M Streetscape Improvement  
Project















7 Luxury Apartments

Will Announce  
Tenant on 7/17

Will Announce  
Tenant on 7/17



Scott &  
Stringfellow  
A division of BB&T Securities, LLC, member FINRA/SIPC

Will Announced  
Tenant on 7/17



Over \$12.5M of Public Investment





# DANVILLE, VIRGINIA

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